



Health Services

LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

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March 3, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT (ALL DISTRICTS) (3 VOTES)

SUBJECT

To request Board approval for the Interim Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities or at non-County operated facilities under the Trauma Center Service Agreement. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, of the following individual accounts:

Patients who received medical care at a County facility:

(1)	Account Number	LAC+USC – Various	\$ 2,092
(2)	Account Number	H/UCLA – 8383732	\$ 7,500
(3)	Account Number	H/UCLA – 9101274	\$ 8,225
(4)	Account Number	LAC+USC – 6693459	\$ 8,333
(5)	Account Number	H/UCLA – Various	\$ 9,000
(6)	Account Number	LAC+USC – Various	\$ 13,933
(7)	Account Number	LAC+USC – Various	\$ 16,666
(8)	Account Number	LAC+USC – 7312833	\$ 605,221
(9)	Account Number	LAC+USC – 5863145	\$ 750,414
(10)	Account Number	H/UCLA – 5588100	\$ 10,000

*To improve health
through leadership,
service and education.*



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Trauma patients who received medical care at non-County facilities:

(11) Account Number	EMS 199	\$13,000
(12) Account Number	EMS 501	\$ 9,100

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (7) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases. The compromise offer of settlement for patient account (8) - (9) is recommended because the amount is the highest amount that could be negotiated with the patient's insurance provider (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary co-insurance or deductible obligations. The compromise offer of settlement for patient account (10) is recommended because the amount is the highest amount that could be negotiated from the patient's workers compensation claim under the circumstances of the case.

Trauma patients who received medical care at non-County facilities: The compromise offers of settlement for patient accounts (11) - (12) are recommended because the County has agreements with certain non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such trauma care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$1,453,484.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, the Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma Fund.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



John F. Schunhoff, Ph.D.
Interim Director

JFS:lg (R:\LMARTINEZ\COMPROMISE\BRDLTR#73\LETTER HSA & EMS)

Attachments (12)

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: March 3, 2009

Total Charges	\$26,278	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$26,278	Date of Service	Various
Compromise Amount Offered	\$2,091.78	% Of Charges	8%
Amount to be Written Off	\$24,186.22	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$26,278 for medical services rendered. The patient was not eligible for Medi-Cal and did not apply for any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for \$6,569 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement *
Lawyer's Fees	\$2,189.66	\$2,189.66	33%
Lawyer's Cost	\$196.78	\$196.78	3%
LAC+USC Medical Center	\$26,278	\$2,091.78	32%
Other Lien Holders			
Patient		\$2,091.78	32%
Total		\$6,569	100%

* This settlement distribution is consistent with the Hospital Lien Act (California Civil Statute 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost.

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: March 3, 2009

Total Charges	\$228,454	Account Number	8383732
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$228,454	Date of Service	5/25/07-6/11/07
Compromise Amount Offered	\$7,500	% Of Charges	3%
Amount to be Written Off	\$220,954	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$228,454 for medical services rendered. The patient was an out-of-country resident and is not eligible for Medi-Cal or any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$6,000	\$5,000	33%
Lawyer's Cost	\$749	\$749	5%
H/UCLA Medical Center	\$228,454	\$7,500	50%
Other Lien Holders			
Patient		\$1,751	12%
Total		\$15,000	100%

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: March 3, 2009

Total Charges	\$35,587	Account Number	9101274
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$35,587	Date of Service	5/5/08-5/8/08
Compromise Amount Offered	\$8,225	% Of Charges	23%
Amount to be Written Off	\$27,362	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$35,587 for medical services rendered. The patient did not apply for Medi-Cal or any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$8,333.33	\$2,949	12%
Lawyer's Cost	\$395.27		
H/UCLA Medical Center	\$35,587	\$8,225	33%
Other Lien Holders	\$5,072	\$3,826	15%
Patient		\$10,000	40%
Total		\$25,000	100%

* The patient's attorney agreed to reduce his fees from \$8,333.33 (33%) to \$2,949 (12%).

** Lien holders are receiving 48% of the settlement (33% to H/UCLA Medical Center and 15% to others).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: March 3, 2009

Total Charges	\$66,902	Account Number	6693459
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$66,902	Date of Service	11/24/07-12/5/07
Compromise Amount Offered	\$8,333	% Of Charges	12%
Amount to be Written Off	\$58,569	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$66,902 for medical services rendered. The patient was not eligible for Medi-Cal and qualifies for the Ability-to-Pay (ATP) program with no liability. The patient's third party liability (TPL) claim settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$8,334	\$8,334	34%
Lawyer's Cost			
LAC+USC Medical Center	\$66,902	\$8,333	33%
Other Lien Holders			
Patient		\$8,333	33%
Total		\$25,000	100%

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: March 3, 2009

Total Charges	\$87,677	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$87,677	Date of Service	Various
Compromise Amount Offered	\$9,000	% Of Charges	10%
Amount to be Written Off	\$78,677	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$87,677 for medical services rendered. The patient was not eligible for Medi-Cal and has ATP with no liability. The patient's third party liability (TPL) claim settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$8,332.50	\$7,500.08	30%
Lawyer's Cost *	\$749.84	\$749.84	3%
H/UCLA Medical Center **	\$87,677	\$9,000	36%
Other Lien Holders **	\$2,531	\$250	1%
Patient		\$7,500.08	30%
Total		\$25,000	100%

* The patient's attorney agreed to reduce his fees from \$8,332.50 (33%) to \$7,500.08 (30%).

** Lien holders are receiving 37% of the settlement (36% to H/UCLA Medical Center and 1% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: March 3, 2009

Total Charges	\$57,838	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$57,838	Date of Service	Various
Compromise Amount Offered	\$13,932.55	% Of Charges	24%
Amount to be Written Off	\$43,905.45	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient fell from a building. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$57,838 for medical services rendered. The patient did not apply for Medi-Cal or any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for \$60,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement *
Lawyer's Fees	\$20,000	\$20,000	33%
Lawyer's Cost	\$12,284.89	\$12,284.89	20%
LAC+USC Medical Center	\$57,838	\$13,932.55	23%
Other Lien Holders	\$4,412.50	\$900	2%
Patient		\$12,882.56	22%
Total		\$60,000	100%

* This settlement distribution is consistent with the Hospital Lien Act (California Civil Statute 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. Lien holders are receiving 25% of the settlement (23% to LAC+USC Medical Center and 2% to others).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: March 3, 2009

Total Charges	\$353,681	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$353,681	Date of Service	Various
Compromise Amount Offered	\$16,666	% Of Charges	5 %
Amount to be Written Off	\$337,015	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$353,681 for medical services rendered. The patient was denied Medi-Cal and has ATP with no liability. The patient's third party liability (TPL) claim settled for \$50,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$16,666	\$16,666	33%
Lawyer's Cost	\$475	\$475	1%
LAC+USC Medical Center *	\$353,681	\$16,666	33%
Other Lien Holders *	\$2,331	\$1,500	3%
Patient		\$14,693	30%
Total		\$50,000	100%

* Lien holders are receiving 36% of the settlement (33% to LAC+USC Medical Center and 3% to others).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 8
DATE: March 3, 2009

Total Charges	\$712,025	Account Number	7312833
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$712,025	Date of Service	4/21/08-6/10/08
Compromise Amount Offered	\$605,221.25	% Of Charges	85%
Amount to be Written Off	\$106,803.75	Facility	LAC+USC Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of this case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 9
DATE: March 3, 2009

Total Charges	\$1,500,828	Account Number	5863145
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$1,500,828	Date of Service	5/10/07-9/6/07
Compromise Amount Offered	\$750,414	% Of Charges	50 %
Amount to be Written Off	\$750,414	Facility	LAC+USC Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of this case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 10
DATE: March 3, 2009

Total Charges	\$104,619	Account Number	5588100
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$104,619	Date of Service	7/23/03-8/2/03
Compromise Amount Offered	\$10,000	% Of Charges	10%
Amount to be Written Off	\$94,619	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was injured while removing salvage materials from a building. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$104,619 for medical services rendered. The patient is a General Relief (GR) patient and has no assets. The State Compensation Insurance Fund is offering \$10,000 to settle this workers compensation claim. The offer represents the highest amount that could be recovered under the circumstances of this case since the patient was not an employee of the company performing the work and had signed a release of liability form.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 11
DATE: March 3, 2009

Total Charges (Providing Facility)	\$53,802	Account Number	EMS 199
Amount Paid to Providing Facility	\$15,700	Service Type	Inpatient
Compromise Amount Offered	\$13,000	Date of Service	10/06/04-10/10/04
		% of Payment Recovered	83 %

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total inpatient charges of 53,802 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$15,700. The patient's third-party claim has been settled for \$55,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$22,000	\$19,123	34.8%
Attorney cost	\$6,214	\$6,214	11.3%
Los Angeles County	\$53,802	\$13,000	23.6%
Other Lien Holders	\$8,756	\$6,541	11.9%
Patient		\$10,122	18.4%
Total		\$55,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 12
DATE: March 3, 2009

Total Charges (Providing Facility)	\$116,306	Account Number	EMS 501
Amount Paid to Providing Facility	\$30,456	Service Type	Inpatient
Compromise Amount Offered	\$9,100	Date of Service	7/29/07-8/5/07
		% of Payment Recovered	30 %

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident; the patient was treated at Holy Cross Hospital and incurred total inpatient charges of \$116,306 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$30,456. The patient's third-party claim has been settled for \$30,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$10,000	\$10,000	33%
Attorney cost	\$434	\$434	1%
Los Angeles County	\$116,306	\$9,100	31%
Other Lien Holders	\$9,224	\$900	3%
Patient		\$9,566	32%
Total		\$30,000	100%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.